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**FOR IMMEDIATE RELEASE:**

**FORMER STATE OIL AND GAS INSPECTOR AND  
CONTRACTOR INDICTED FOR FALSE STATEMENTS**

Susan W. Brooks, United States Attorney for the Southern District of Indiana, and the Indiana Inter-Agency Environmental Crimes Task Force announced today that the federal grand jury returned indictments against Carl F. Hanisch, age 70, of Mt. Carmel, IL, the Bi State Pipe Co., Inc., of Mt. Carmel, IL, and Donald G. Veatch, age 56, of Francisco, IN, for allegedly making false statements to state and federal agencies concerning the close of oil wells.

According to the indictment, in 1999, a number of inactive wells in Vanderburgh County leaked oil and contaminated a pond and a tributary of the Ohio River. Consequently, the Bi State Pipe Co., Inc., was sub-contracted to plug 51 of these wells. Carl F. Hanisch was a co-owner of the Bi State Pipe Co., Inc. and Donald G. Veatch was then an inspector for the Indiana Department of Natural Resources' Division of Oil and Gas. Veatch was assigned to oversee the

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plugging of these oil wells. According to the Indictment, Hanisch, acting for Bi State Pipe Co., Inc., and Veatch falsely certified that cast iron bridge plugs had been installed in 21 of the leaking wells. A cast iron bridge plug is a mechanical device designed to prevent oil from flowing upwards through a well and contaminating, among other things, a freshwater zone. Hanisch and Veatch allegedly certified that the information in each of the official *Plugging and Abandonment Reports* for these wells was correct to the best of their knowledge when they allegedly knew that no cast iron bridge plugs were actually used. The forms were then submitted to the Indiana Department of Natural Resources.

The Indiana Department of Environmental Management paid \$269,949.85 for the well closure activities from its Hazardous Waste Site Cleanup Fund and was later reimbursed from the federal Oil Spill Liability Trust Fund, which was established under the Oil Pollution Act of 1990. The Oil Spill Liability Trust Fund is administered by the U.S. Coast Guard. The U.S. Environmental Protection Agency verified the criteria was met for the fund's use and processed the application.

According to Assistant U.S. Attorney Steven DeBrotta and Special Assistant U.S. Attorney David Taliaferro, who are prosecuting the case, Hanisch and Veatch face punishment of up to 5 years imprisonment for each of the 21 counts in the indictment if convicted as charged, as well as a fine of up to \$250,000. If convicted, the Bi State Pipe Co., Inc. also faces a fine of up to \$500,000 on each count.

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Both cases are assigned to the Evansville Division of the U.S. District Court for the Southern District of Indiana.

**The indictment is an allegation only, and the defendants are presumed innocent unless and until proven guilty at trial or by guilty plea.**

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